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The Role of Ethnic Chinese Minority in Development: The Indonesian Case

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Introduction

Despite the manifest diversity of the ethnic Chinese in Southeast Asia, there is still the tendency among scholars focusing on this group, to treat them as a monolithic entity, by referring to all of them as "Chinese" or "Overseas Chinese." Within the countries themselves, as in Indonesia, for instance, this tendency is apparent among the majority population in the use of the terms "orang Cina," "orang Tionghoa" or even "hoakiau."¹ It is our contention that these terms should only be applied to those who are alien, not of mixed ancestry, and who initially do not plan to stay permanently. We also submit that, what terminology and what definition is used for this group, has important implications culturally, socially, psychologically and especially for policy considerations.

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1) The terms "orang Cina" or "orang Tionghoa" are Indonesian for "Chinese." The term "Cina" is considered by ethnic Chinese, especially in Java, to have a derogatory meaning. For an explanation of the use of these two terms, see Coppel and Suryadinata [1970].

As recent writings indicate, the term more commonly used today is "ethnic Chinese" to refer to the group as a whole, regardless of citizenship, cultural orientation and social identification.² The term ethnic or ethnicity, refers to a socio-cultural entity. In the case of the ethnic Chinese, it refers to a group with cultural elements recognizable as or attributable to Chinese, while socially, members of this group identify and are identified by others as constituting a distinct group.

The above definition is in line with the use in recent writings on this topic. In the last ten years or so, we note a revival of interest in ethnicity and ethnic groups, due to the realization that the newly-developed as well as the established countries in Europe and North America are heterogeneous societies with problems in the relations

2) At the Symposium "Changing Identities of the Southeast Asian Chinese since World War II," organized by the Australian National University in Canberra in June 1985 (the present author was a participant at this symposium), the use of the term "ethnic Chinese" as against "overseas Chinese" was discussed and it appeared that the participants were more in favor of using the first term. One of the more recent publications that uses the term "ethnic Chinese" consistently is Suryadinata [1985].

between the various ethnic groups.³⁾ Ireland, of course, is a case in point, as is Belgium, Canada.

In the case of Indonesia, to determine who the ethnic Chinese are, is a rather complicated matter. First, there is the distinction by citizenship into aliens and citizens. This is not too much of a problem, as aliens form a separate category and are registered with the appropriate section in the immigration office. Then there is the distinction by cultural orientation and social identification. Here, we suggest, we have to think in terms of a continuum.

At one end, there are those, mostly of the younger generation, who identify completely and solely as Indonesian, and whose cultural orientation is also Indonesian. Examples of individuals in this category are the late Soe Hok Gie, a student activist during the 1965–1966 upheaval, his social scientist brother Arief Budiman, who is married to a Minangkabau woman, the brothers Jusuf and Sofjan Wanandi, Christianto Wibisono, all of the “1966-generation” fame.⁴⁾ Also, artists like the nationally renowned playwright and film director Teguh Karya, and one of the most popular actresses up to the time of her death in the mid-70’s, the late Fifi Young.

At the other end, there are those

who are usually referred to as “totok,” who are culturally Chinese-oriented by

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- 4) Jusuf Wanandi (born in West Sumatra, 1937) has a law degree from the University of Indonesia. He was a student activist during the 1965–1966 upheaval, a prominent leader of the KAMI (Kesatuan Aksi Mahasiswa Indonesia or Action Unit of Indonesian Students). He is an active member of the executive board of Golkar (Golongan Karya, the government-backed political party). He has been a member of the Majelis Permusyawaratan Rakyat (MPR) (People’s Consultative Assembly) since 1972. He is affiliated with the well-known Center for Strategic and International Studies (CSIS), serving as a member of the Council of Directors and Chairman of Foreign Relations. He has written among others for *Newsweek* magazine, the *Far Eastern Economic Review* and the *Asian Survey*. Sofjan Wanandi is a younger brother of Jusuf (born in West Sumatra, 1941). He did not finish his study in economics at the University of Indonesia. Like his brother he was a student activist during the 1965–1966 upheaval. He became a member of Parliament from 1967–1971 and then member of the MPR from 1971–1983. According to *Apa dan Siapa* (Who’s Who) of *Tempo* magazine, in 1983, he was President Director of PT Garuda Mataram Motors Company and Director of PT Pakarti Yoga. Source: *Apa dan Siapa sejumlah orang Indonesia 1983–1984* [Who’s Who of a number of Indonesians, 1983–1984] [1984: 1115–1117]. Christianto Wibisono (born in Semarang, 1945) has a degree from the Faculty of Social Sciences of the University of Indonesia. He was also an activist in 1965–1966. He was one of the founders of *Tempo* weekly magazine in 1970 and in 1980 moved on to set up and become the director of Pusat Data Business Indonesia (Indonesian Business Data Center), which compiles data on various aspects of the Indonesian economy. He also published two volumes of his writings in the mass media under the title *Kearah Indonesia Incorporated* (Towards Indonesia, Inc.) [1985]. Source: *Apa dan Siapa ...* [1984: 1126–1127].

3) Some of the important work in this area that have appeared since the 1970’s are: Barth [1969], Rex [1983 (first ed. 1970)], Glazer and Moynihan [1975], Banton [1983], Stone [1985], and Stavenhagen [1986].

the fact that they usually have had a Chinese-language education and speak Mandarin or one of the Chinese dialects with one another. Most of them

have Indonesian citizenship through naturalization or, if born in Indonesia, through the various laws enacted and implemented in the 1950's and 1960's.⁵⁾ Some of the businessmen often referred to in the foreign press recently fall into this category. The names that could be mentioned are Liem Sioe Liong or Sedono Salim, Mochtar Riady, The Ning King, Go Swie Kie.⁶⁾

In between these two extremes is a whole range of people in various stages of acculturation to and identification with Indonesian society. They are commonly referred to as "peranakan," people of mixed ancestry, whose daily language is Indonesian and often also the regional language of their area of birth. Many of them have become Protestant or Catholic and more recently there is also conversion to Islam.

Another characteristic of the ethnic Chinese in Indonesia is their status as a minority group. This is because of their size, which, based on various calculations, is estimated at no more than 3% of the total population,⁷⁾ but even more because of the economic role they have played since the Dutch colonial period. As such they are considered similar to the Jews in Europe,

5) For an analysis of the citizenship problem through 1958, the best study is still Willmott [1961]. For the subsequent developments, regarding the dual nationality treaty between Indonesia and the PRC, its implementation and unilateral abrogation in 1969, see Coppel [1983: 38, 39 and 155, 156]. Still further developments occurred in 1980 with the Presidential Instruction number 2, 1980 (Instruksi Presiden Republik Indonesia, No. 2, 1980), on Proof of Citizenship of the Republic of Indonesia (Bukti Kewarganegaraan Republik Indonesia) issued on 31 January 1980 and its implementation to be valid until 17 August 1980. This measure was meant to give legal certainty (*de jure*) to those who are considered *de facto* citizens, but who do not have the documents to prove this, by providing them with a Certificate of Proof of Citizenship of the Republic of Indonesia (Surat Bukti Kewarganegaraan Republik Indonesia or SBKRI). Another measure is the Presidential Decision No. 13, 1980 (Keputusan Presiden No. 13, 1980), on the procedure for the application of citizenship issued on 11 February 1980. This measure was meant to make the procedure for naturalization for aliens faster, easier and cheaper. No time limit was given for the implementation of this measure. These two measures on citizenship, especially the first one, have probably influenced the outcome of the 1980 Census (taken in October, about 2 months after the deadline of the first measure), when the number of alien Chinese is stated as 462,314, a drastic drop from the 1,028,935 in the 1971 Census [Indonesia, Biro Pusat Statistik 1982: 82]. For an English translation of the text on the Sino-Indonesian Treaty on Dual Nationality of 22 April 1955 and the text of the Presidential Decision No. 13, 1980 on the procedure for naturalization, see Suryadinata [1985: Appendix 5 (166-172) and Appendix 7 (178-182)].

6) These are names that also appear in *Apa dan Siapa ...* [1984: 427-430, 684-686, 1072-1073]. For detailed information on these people, including Go Swie Kie, see Robison [1986: Chapter 9].

7) Suryadinata [1985: 5, 6] estimates the number of ethnic Chinese in Indonesia at 4.1 million or 2.8% of the total population of 147 million in the 1980 Census.

the Indians in East Africa, the Arabs in West Africa, the Vietnamese in the former Indo-China. It has been suggested by various writers to refer to these people as "middleman minorities."⁸⁾

We have to make a clear distinction, however, between these minorities, who are originally migrants or non-indigenous and those who are indigenous. In this paper we are concerned with the non-indigenous only. These migrants initially came with the idea of returning to their land of origin, making them what is referred to as "sojourners." However, many of them eventually settled in the new country, established families with local women and gradually formed distinct communities. A new wave of movement of peoples across

national boundaries, often on a massive scale, has occurred shortly before and after World War II and the various regional wars and upheavals since then. For instance, in Britain, the entrance of people from the Commonwealth countries; in Western Europe, the influx of "gastarbeiters," and the dispersal and subsequent settlement of Vietnamese in various parts of the world.⁹⁾

Having made clear that we view the ethnic Chinese in Indonesia as an ethnic minority group, our approach is social-structural, in the sense that we look at the situation of the ethnic Chinese in terms of minority-majority group relations. Therefore, our emphasis is on social-structural rather than on social-psychological variables.

This paper is concerned with the whole group of ethnic Chinese as part of the Indonesian population, and their role in the ongoing process of national development. We will therefore start with the New Order government, when Indonesia initiated its systematic development with the first 5 Year Development Plan in 1969.

One of the striking elements of this Plan is the pragmatic approach in its formulation and implementation. This is indicated by the fact that in the rehabilitation of the economy starting in 1967, resources in the hands of ethnic Chinese, be they citizens or aliens, were included in the develop-

8) The concept of "middleman minority" has been developed by Blalock, Jr. [1967: 79-84]. These are minorities who "occupy intermediate positions owing to a competitive advantage or a high adaptive capacity. Such minorities are often associated with special occupational niches by virtue of a combination of circumstances, plus a cultural heritage that has been used as an adaptive mechanism over a prolonged period." As examples of this group he mentions the history of the Jews in Europe, the Chinese in Southeast Asia, East Indians in Burma and South Africa. Blalock's ideas have been further developed in Turner and Bonacich [1980: 144-158], in which they propose a composite theory developing 9 propositions to account for the conditions promoting the (1) concentration of ethnic populations in middle-rank economic roles, (2) development of patterns of intragroup solidarity, (3) hostility from the nonethnic population. These propositions can be applied to the ethnic Chinese in Indonesia, at least for the beginning of the formation of the community.

9) See Rex [1983: especially Chapters 4 and 7]. Also Vermeulen [1984].

ment endeavors.¹⁰⁾ This opportunity to participate more fully in the economy was well received by the ethnic Chinese business community, and as we see today, some of them have succeeded in developing major companies of international proportions.

In this paper we will discuss the role of the ethnic Chinese in the development process, by focusing not only on their role in the economy, but also on other aspects in the efforts towards development of the society. To this end, we will start with some demographic aspects, i.e. their role in the efforts of the government to control population growth, their economic role, and finally we will discuss the social and cultural aspects of the ethnic Chinese problem.

Some Demographic Aspects of the Ethnic Chinese Population

Compared with the other ASEAN countries, Indonesia with 2.8% (in 1981, using an estimation of 4.1 million

out of the total of 147 million in the 1980 Census), has the second lowest proportion of ethnic Chinese after the Philippines with 1.5%, Thailand with 13.0%, Brunei-Darussalam with 25.4%, Malaysia with 33.1% and Singapore with 76.9%.¹¹⁾ The figure of 4.1 million includes both the citizens and the aliens. As according to the 1980 Census there are 462,314 alien Chinese (a drastic drop from the 1,028,935 in the 1971 Census), those who are citizens should be about 3.6 million.¹²⁾

Nonetheless, despite this small proportion, Indonesia has what is usually referred to as "masalah Cina" or the Chinese problem. In terms of size, the majority indigenous population perceives this group to be too large in number and growing too fast. Consequently, there have been accusations that the ethnic Chinese are not participating in the national efforts towards fertility reduction, i.e. in the family planning program.

Interestingly, the National Family Planning Coordinating Board (NFPCB), considered these accusations serious enough to initiate KAP (knowledge, attitude and practice) studies on the ethnic Chinese in various cities with high concentration of this group, including Jakarta, Surabaya, Bandung, Semarang, Medan, Ujung Pandang. There are two other studies that are relevant in this context. One is an in-depth study of women in Jakarta,

10) This is stated in the Instruction of the Presidium of the Cabinet, 7 June 1967: "Different from foreign capital as defined in Law No. 1, 1967, capital that is acquired and accumulated within the territory of Indonesia, i.e. domestic foreign capital, is basically national wealth that is in the hands of aliens and should therefore be mobilized, developed and utilized for the benefit of rehabilitation and development." (translation by the present author). It was further stipulated that this domestic foreign capital is not allowed to be transferred abroad. For an English translation of the full text of this document see Suryadinata [1985: Appendix 6 (173-177)].

11) See Suryadinata [1985: 5-7].

12) See Note 5 above.

which includes a sample on ethnic Chinese and the other is a study on the relationship between ethnicity and fertility, comprising 5 ethnic groups (Javanese, Sundanese, Minangkabau, Batak and ethnic Chinese), in 4 cities (Jakarta, Bandung, Surabaya, Medan).¹³⁾

Some of the findings of these studies that are pertinent to this paper are as follows:

1. The ethnic Chinese practice family planning by consulting private / personal physicians and not under the national family planning program;
2. Their age at first marriage is higher than that of the other ethnic groups;
3. Their average number of living children is lower than that of the other ethnic groups;
4. The ideal number of children is lower than that of the other ethnic groups;
5. Similar to the other groups, there is variation by age and education of the wife. Among the ethnic Chinese there is also variation by religion, i.e. Protestant / Catholic or Buddhist / Confucianist.

The attitude towards not using the government program appears to be

changing, however, probably as a result of special efforts on the part of the NFPCB to reach this group. In 1984, for instance, the present author was invited at the main office of the NFPCB in Jakarta, to meet with a group of ethnic Chinese women from Banyuwangi (East Java), who were awarded a certificate for having successfully practiced family planning.

What is most interesting of the results of these studies on the ethnic Chinese is that, contrary to the perception of the majority population, the performance in family planning is generally better than that of the other indigenous ethnic groups. This can be explained as the advantage of being an urban population. They have some distinct urban characteristics, such as more receptive to new ideas and approaches, better education and better health condition. Most of them are in urban occupations that are better remunerated, such as business, trade, services, the professions. The wives are also better-educated, are often a partner in the business or are themselves in some profession. These characteristics are conducive to the development of a more pragmatic attitude, facilitating the ability to live in a more rational way, as in planning the number of children to have and the future education of these children. The finding that ethnic Chinese families tend to consult with personal / private physicians concerning family planning matters is a clear indication that they themselves

13) The KAP studies consulted are those on East Java and South Sulawesi [Pardoko and Indroes 1981]. The one on South Sulawesi was done by a team of Hasanudin University: Laporan Hasil Penelitian PSP-KB WNI Keturunan Cina di Sulawesi Selatan (Report on the KAP study on citizens of Chinese descent in South Sulawesi), Hasanudin University, Ujung Pandang, 1980. The other two studies consulted are: Rahardjo *et al.* [1980] and Tan and Soeradji [1986].

are motivated to adhere to the small family norm exhorted by the national family planning program.

The Role in the Economy

Studies on the economy of Indonesia invariably point to the importance of the economic role of the ethnic Chinese. It is also generally recognized that this role is the major source of conflict situations between this group and the majority ethnic Indonesians. Due to this role in the economy, this group is referred to as "middleman minority." Today, however, it is not only as "middleman"; their role has expanded into all areas of the economy, including manufacturing, shipping, construction, banking. As such, they are now part of the most important capitalists in the country.¹⁴⁾

There is no doubt that the attitude of the government and its policies, are a major factor in this development. In the rehabilitation of the economy, the Suharto government took the approach of utilizing the capital and entrepreneurial skills of the ethnic Chinese. Not surprisingly, this policy received a positive response from this group. The subsequent re-entry of foreign investment was advantageous for them as they were in the best position to enter joint venture arrangements. This gave them access to international capital in addition to the access to the

existing network of Overseas Chinese capital and business in other Southeast and East Asian countries.

This development was facilitated by the emergence of a phenomenon commonly referred to as "cukongisme," the mutually beneficial alliance in economic ventures with civilian and/or military high officials.¹⁵⁾ As Robison observes: "Both generals and international investors were attracted to Chinese capitalists because they had the necessary corporate, capital and distributive apparatus in place, and the business 'culture' essential to the making of profits."¹⁶⁾

To date the book by Robison is perhaps the most comprehensive expose of the development of ethnic Chinese big entrepreneurs in the Indonesian economy. Interestingly enough, of the 41 groups of companies listed in this book, involving 46 names of the owners, only 12 have no Indonesian name besides their Chinese name.¹⁷⁾ This could mean that these people are aliens, or, it may indicate that at a certain scale of company it is no longer necessary to change one's name. At any rate, Liem Sioe Liong, the best-known ethnic Chinese businessman, is usually referred to in the press by his Chinese name, rather than by his Indonesian name Sudono Salim. William Soerjadaja, on the other hand, is not known by his

14) See Robison [1986: especially Chapter 9]. Also, Thee and Yoshihara [1987: especially 346-349].

15) On "cukong," "cukong system" and criticism of it, see Suryadinata [1978: 141, 142]. Also Tan [1976: 25], Robison [1986: 272-275].

16) See Robison [1986: 273].

17) See Robison [1986: 278-288].

Chinese name Tjia Kian Liong. The same goes for Bob Hasan (The Kian Siang), Ciputra (Tjie Siem Hoan), Masagung (Tjio Wie Tay), Mochtar Riady. Nevertheless, whatever name they themselves use, the Indonesian business community and the society at large, identify them as ethnic Chinese and their companies as ethnic Chinese companies.

This is evident in times of social unrest and outbreaks of riots, whatever the cause, when ethnic Chinese companies have been sought out and become targets of violence. In this sense the ethnic Chinese businessmen are basically in a tenuous position. Their existence in Indonesia is dependent on the position of their ethnic Indonesian associates who in turn are vulnerable to the vagaries of the political and economic situation in general.

Here again, the role of the government is crucial. On the one hand, the government seems unable to bring about a change in the situation where the dominant element in the private sector is the ethnic Chinese businessman; on the other hand, it faces strong criticism from indigenous entrepreneurs and the majority society at large, who perceive favoritism to ethnic Chinese and the so-called "cukong issue." This criticism was more vocal in the early seventies and was translated into overt actions of violence during the so-called "malari riots" of 1974.¹⁸⁾

As a result, the government was constrained to introduce major policies

to curtail the perceived dominance of the ethnic Chinese and achieve a more proportionate participation of ethnic Indonesians in the economy. As for instance, the regulations of 1979 and 1980, known as Keppres 14 and 14(a), which were intended to give more opportunity to indigenous contractors and suppliers to benefit from government contracts.¹⁹⁾

Despite these policies, however, ethnic Chinese companies have continued to grow and expand into international concerns. It is also obvious that their ethnic Indonesian counterparts have benefited from these developments. To quote Robison again: "For the generals and the larger indigenous capitalists, the Chinese have become a vital element in their social and economic dominance, by providing both revenue and corporate and commercial infrastructure. The economic fortunes of the emerging indigenous Indonesian ruling class are firmly intertwined with those of the Chinese."²⁰⁾

Still, the situation of the ethnic Chinese businessmen can best be characterized as fraught with uncertainty.

18) On "Malari" (an acronym referring to the date of the incident, 15 January 1974), and its aftermath especially in terms of economic policies, see Robison [1986: 164-168]. Also Mackie [1976: 137]. He observes that this event was not primarily an anti-Chinese outbreak, but directed towards "... the most conspicuous symbols of wealth and high living among the Indonesian elite, the Chinese and foreigners."

19) See Robison [1986: 185, 316-317]. Also Coppel [1983: 154].

20) See Robison [1986: 317].

Although the last major outbreak of violence occurred in 1974 (the "malari incident"), an undercurrent of resentment continues. This has come to the surface, for example, in an incident in Solo and Semarang towards the end of 1980, the bombing incident of Chinese-owned banks in Jakarta in 1984 and the "Tanjong Priok incident" in Jakarta in the same year. Under these circumstances it is not surprising to hear comments that some of these big businessmen have expanded overseas to secure their position. It is even said that some have settled their families abroad, so as to make it easy to remove themselves should this become necessary.

How do the ethnic Indonesian businessmen perceive this situation? In this context a book written by one of the young ethnic Indonesian businessmen considered successful in real estate, Siswono Yudo Husodo, is quite revealing. This book, which was published in 1985, can be considered an autobiography focusing on his relations with ethnic Chinese. The views expressed towards this group can be characterized minimally as ambiguous. For instance, he mentions about an ethnic Chinese business colleague of his, who has his wife and children live in Singapore, while he himself goes there twice a week. In the author's view, this person measures the values of country and nation solely in terms of the opportunity for business and profit making. Although he obviously condemns this

attitude, he observes that Indonesia probably needs people like him, as they make large investments in Indonesia, thereby contributing to the development of the economy.²¹⁾

Again, commenting on reports in the press that Liem Sioe Liong is one of the richest men in the world, he said that it made him feel proud. But, "... in all honesty, I have to admit that I would feel even more pleased and proud, if the richest man from Indonesia is not Oom Liem, whom I highly respect, but for instance, Pro-bosutedjo, or Sukamdani, Aburizal Bakrie, Pardede, Arifin Panigoro, Haji Kala, Poncho Sutowo or Abdul Latif or some other indigenous entrepreneur."²²⁾

So far, we have focused on the big entrepreneurs, the so-called capitalists in the Indonesian economy. Actually, by far the majority of the ethnic Chinese businesses are of the small and medium type, especially in retail trade, but also in manufacturing.

For an illustration of the role in this type of business, we will look at a study done in 1979 in Banda Aceh, the capital of the province of the Special Area of Aceh.²³⁾ Acehnese are known to be strict adherents of Islam and the province is often referred to as "serambi Mekah" or "the gate of Mecca."

However, as in most other cities in Indonesia, Banda Aceh also has a

21) See Siswono [1985: 20].

22) See Siswano [1985: 24]. According to the author people usually call Liem Sioe Liong "Oom" (Dutch for "uncle") Liem.

23) See Ahok [1976].

business area, where many of the shops are owned and operated by ethnic Chinese. In the aftermath of the abortive coup of 1965, anti-Chinese feelings in this area ran very high, and most of the ethnic Chinese either removed themselves on their own or were removed by the authorities and set up in camps in Medan.²⁴⁾

Nevertheless, beginning in 1970 they started returning, first for short visits for which a permit was needed, but eventually, as these restrictions were relaxed, they stayed permanently. By 1975, according to the registration at the regional office of the Department of Trade, the number of ethnic Chinese in medium and small enterprises and as owners of stores, exceeded that of ethnic Indonesians. In medium enterprises 79 were owned by ethnic Chinese (all citizens) and 52 by ethnic Indonesians; in small enterprises, 197 were ethnic Chinese (1 alien), and 190 ethnic Indonesian; of the store owners, 135 were ethnic Chinese (2 aliens) and 84 ethnic Indonesian. It is in the category of big industry that there were 105 ethnic Indonesian and only 27 ethnic Chinese.²⁵⁾

Considering that, as indicated in the study, the ethnic Indonesians are clearly hostile to the Chinese, how was this return possible?

The study concludes that much of the blame must be put on the authorities, who are viewed to have been

inconsistent in the execution of the policies concerning the return of Chinese business. Acehnese respondents are quoted as saying that Acehnese lack leadership in business, so there are no concerted efforts to compete with the Chinese. They also say, that there are among them, as among the government officials, those who only want to get quick and easy benefit from some type of cooperation with an ethnic Chinese businessman. In addition, the public in general seems to prefer buying in Chinese stores and dealing with Chinese business, as they have better quality goods and give better service.²⁶⁾

The results of this study indicate that, if in an area that has shown clear hostility, it is still possible for ethnic Chinese to operate profitably, even more so in less hostile areas. Thus, in small and medium industry and in retail trade, ethnic Chinese will probably continue to play a significant role.

We may conclude, therefore, that the economic role of the ethnic Chinese will not decrease. The crux of the matter is, how is this role perceived by the majority indigenous population. Is this role considered an asset or a liability? Indications are that it is still viewed as an asset. However, undoubtedly, it is imperative for the indigenous Indonesians to increase their role in the economy substantially, in order to reduce tensions in this area. Conversely, it is imperative for the ethnic Chinese to diversify into other occupations away

24) See Ahok [1976: 5-7].

25) See Ahok [1976: 7 ff. and Appendix III].

26) See Ahok [1976: 40, 41].

from the high concentration in economic activities.

In this context, the second generation economic elite that is now emerging, bears watching. Many are the sons and daughters of the new capitalists of Indonesia, some of whom have studied abroad and acquired foreign MBA's. There are Anthony Salim, son of Liem Sioe Liong; Edward Soeryadjaja, son of William Soeryadjaja; Aburizal Bakrie (who was proclaimed one of the Outstanding Young Persons of the World 1986 by the Junior Chambers International)²⁷⁾ and his two brothers, sons of Achmad Bakrie of Bakrie and Brothers; Pontjo Nugro Susilo, son of the former "oil king" of Indonesia Ibnu Sutowo; Shanti Soedarpo, daughter of Soedarpo Sastrosatomo; and the sons and daughters of President Suharto, whose business relations have been widely reported in the foreign press recently.²⁸⁾ In addition, there are those who are recognized as having come up on their own. Some of the names that have come to the fore are Abdul Latief, owner of the Sarinah Jaya Department Stores, Kamaluddin Bachir, who operates from Pekalongan in Central Java.²⁹⁾

Nonetheless, if the structure of the economy and business practices continue as they are today, the economic role of the ethnic Chinese will continue to be viewed as the source of conflict

situations between the two groups. This in turn will result in a high probability of the continuation of periodic, though localized, outbreaks of social unrest.

The Social and Cultural Aspects of the Ethnic Chinese Problem

The multi-ethnicity of Indonesian society is recognized in the motto of the Republic: *Bhineka Tunggal Ika* or Unity in Diversity. In reality, however, the emphasis has been more on the unity than on the diversity aspect. Hence, the continuing debate on what constitutes national culture, the emphasis on nation building and the exhortations towards unity.

One of the manifestations of this emphasis is the policy towards the ethnic Chinese minority, especially regarding their education and overt expressions of elements of Chinese culture.³⁰⁾ The thrust of this policy is clearly assimilationist, in the sense of the eventual disappearance of the ethnic Chinese as a social-cultural entity. Over the years, however, its implementation has varied in consistency and strength.

A key policy towards this end, was the closing down of all Chinese language schools in 1966. This was relaxed in 1969, when the government allowed the operation of so-called "special project national schools." These schools were set up by prominent ethnic Chinese

27) *Tempo* November 22, 1986: 74-78.

28) See *Asian Wall Street Journal* November 24, 25, 26, 1986. These 3 issues of the Journal were banned in Indonesia.

29) *Tempo* November 22, 1986: 74-78.

30) This policy was spelled out in the Presidential Instruction No. 14, 1967, on Chinese religion, beliefs and customs. See Coppel [1983: 163-165].

businessmen, with medium of instruction in Indonesian, using the national curriculum, but allowing for the teaching of the Chinese language as an extra-curricular activity. In 1975 they were closed down however, after being charged with violating some of the rules for operation. The official reason given was that as a transitional device to accomodate the students of the closed Chinese-language schools, they have served their purpose.³¹⁾

Since then, all ethnic Chinese children have to go to the regular state or private schools. This effectively cut off the possibility for the enculturation of the younger generation through one of the key aspects of their culture, i.e. the language. A related measure was the prohibition to sell Chinese-language materials and to use Chinese characters for public purposes, such as the shop name. An exception is the government-sponsored Chinese-language daily, *Harian Indonesia*, published in Jakarta. Interestingly enough, Chinese movies, usually called Mandarin films, especially of the kung-fu variety are allowed to be shown, and enjoy an immense popularity also among the indigenous Indonesians.

Another regulation is the prohibition to celebrate Chinese temple festivals, especially outside the premises. This regulation has been relaxed in certain areas and for certain occasions, depending on the evaluation of the permitting authorities involved. For example, Coppel reported witnessing a big cele-

bration at the well-known Sam Po Kong temple in Semarang in August 1977, which attracted thousands of people.³²⁾

Still another measure is the encouragement to change the Chinese name to an Indonesian-sounding name. In 1966, in the town of Sukabumi in West Java, the ethnic Chinese population responded with an organized effort to have all of them change their name.³³⁾ But, as we note today, name changing seems no longer an issue, as the majority has changed their name and most of the younger generation have only Indonesian-sounding or Christian or Western names. There are exceptions; whereas Rudy Hartono, the internationally-known badminton player of Indonesia, changed his name, the player expected to replace him, Liem Swie King, did not. Neither did another well-known player, Ivanna Lie. Some other names that could be mentioned are that of the historians Lie Tek Tjeng and Onghokham and the economists Thee Kian Wie and Kwik Kian Gie.

The Chinese lunar new year used to be the occasion for the most overt display of "Chineseness," with fireworks, and the Chinatown area and Chinese temples full of celebrants. Today, Chinese new year is a family affair, celebrated especially when the grandparents are still around. With the demise of this older generation, this festivity will probably also be a thing of the past.

31) See Coppel [1983: 160-162].

32) See Coppel [1983: 164].

33) See Coppel [1983: 82-85].

In the light of these developments we can conclude that the recognition of and the adherence to Chinese cultural elements are disappearing. Especially among the younger generation, many of whom have attended or are attending the Christian-or Catholic-run private schools, knowledge of traditional Chinese culture and customs is practically non-existent.

Despite these changes within the ethnic Chinese community, moving away from their "Chineseness," indications are that the relations between the minority ethnic Chinese and the majority indigenous Indonesians, are still characterized by one of uneasiness, or even latent hostility.

The most recent illustration of this, is the incident in Surabaya in September 1986, which was prevented from erupting into a full-scale riot by the actions of the military authorities. The incident was triggered off by the disclosure that a young Javanese maid was severely maltreated by the *peranakan* Chinese family she worked for. As reported in *Tempo* weekly magazine,³⁴⁾ masses of people converged in front of the house of the accused family, shouting that they will run amok to those "Cina," if the maid happens to die from her wounds. About a week later a similar case of maltreatment was reported in another part of Surabaya. The situation became tense, as *becak* (trishaw) drivers and students started massing around in the business area

and cars with ethnic Chinese in it were stoned. Every time they threw a stone, the shout "cino" (Javanese pronunciation of "cina") was heard. The situation became grim when a young ethnic Chinese businessman was shot and killed in his car. According to the authorities this was a criminal act that has nothing to do with the rioting. Still, conditions were explosive and the authorities decided to come out in force, succeeding in deterring the masses from breaking out into serious rioting.

The ease with which anti-Chinese behavior can be generated, points to the continuing feelings of resentment, based on a mixture of prejudice, envy and a feeling of injustice. This resentment is not only due to the perceived dominance in the economy, but also to the attitude and behavior, which is usually expressed in the single term "exclusiveness." In the view of the majority ethnic Indonesians, the ethnic Chinese feel superior to them and express this in their behavior by keeping socially aloof, especially refusing to participate in neighborhood activities, and segregating residentially in the newly-developed plush real estate areas.

To the majority ethnic Indonesians, this attitude and behavior are an intolerable affront to their sensibilities. These feelings are clearly expressed by Siswono in the book mentioned above.³⁵⁾ He adheres to the concept of assimilation applied to this group and suggests that

34) *Tempo* October 4, 1986: 21, 22.

35) See Siswono [1985: 142, 143].

"... the social and cultural values of the ethnic Chinese should disappear into the values that exist in Indonesia in a consistent manner and should be expressed in attitude and way of thinking." He proposed some definite suggestions as to what this group should do in this respect and they all point to renouncing this "exclusivism."

For example, he exhorts them to live among the ethnic Indonesians and not form their own residential enclaves; to get rid of their arrogant attitude towards ethnic Indonesians; to encourage the younger generation to go to government schools; to refrain from sending their children abroad for study, because "... how can they develop feelings of nationalism towards Indonesia, if they spend the best part of their life abroad, marry a foreign woman and then are reluctant to return?"; if in business, not to "... misuse their large capital to bribe officials and other important people in certain positions"; not to avoid paying tax that is due and acquire monopoly rights in some business; to share experience and give guidance to indigenous businessmen, "not because forced by a government regulation, but because of the realization that these are fellow citizens."

Considering that this book was published only two years ago, and that the author professes to have close relations with ethnic Chinese, the sentiment projected is revealing as to the depth of resentment that still prevails among ethnic Indonesians. Basically,

the indigenous majority puts the onus on the ethnic Chinese to instigate changes in their way of thinking, their attitude and behavior, such that they can be acceptable to the majority population.

How do the ethnic Chinese react to this challenge? A brief review of the thinking and actions of the ethnic Chinese shows that they have been by no means united in their ideas towards the solution of the "Chinese minority problem." We can discern four lines of thought that have come to the fore since Independence.³⁶⁾

The most prominent was the one propounded by the Baperki (Badan Permusyawaratan Kewarganegaraan Indonesia) or Consultative Body for Indonesian Citizenship, formed in March 1954. From the beginning this organization received wide support from the ethnic Chinese, but when it became closely associated with the Indonesian Communist Party under the leadership of the late Siauw Giok Tjhan, many of the prominent figures disassociated themselves. The line of thought proposed by this organization was "integration," to which they gave

36) This brief review of the thinking and actions of the ethnic Chinese on the solution to the "Chinese problem," for the ideas propounded by the Baperki, Yap Thiam Hien and the "assimilationists" is based on the various writings in Suryadinata [1979]. For the ideas of the "assimilationists" we also used Coppel [1983: 46 ff. and 142-145]. The ideas of Junus Jahja and his Ukhuwah Islamiyah are taken from the book which is a compilation of clippings from the mass media: Jahja [1984].

the meaning of the acceptance of the ethnic Chinese as one of the suku or ethnic groups, similar to the indigenous ethnic groups. Thus, the group will be an inherent part of the Indonesian society, without being dissolved as a social-cultural entity. In Siauw's view, this situation will be achieved only, when Indonesia has become a socialist state. In the aftermath of the 1965 coup, this organization was banned and the leaders detained.

The opposite view is expounded by a group of mostly intellectuals, who, in March 1960 put out a "statement of assimilation" in the magazine *Star Weekly*. This was the start of a movement, espousing the idea of complete dissolution of the group as a social-cultural entity and its absorption into the various indigenous ethnic groups. Members of this group became part of the LPKB (Lembaga Pembinaan Kesatuan Bangsa or Institute for the Promotion of National Unity). This group was not a mass organization, but consisted of a full board of officers with specified tasks. They received the support of the government and especially the military. They became known as the "assimilationists." From its inception the leading figure is K. Sindhunata, a lawyer, Catholic and navy officer (since retired). After 1965, the group continued to receive support from the government and in 1977, the name was changed to Bakom-PKB (Badan Komunikasi Penghayatan Kesatuan Bangsa or Communication Body for the

Appreciation of National Unity). It came under the aegis of the Ministry of Home Affairs.

Yet another view was proposed by Yap Thiam Hien, a prominent lawyer and Christian church leader. His ideas have been called by Suryadinata "pluralist." Basically, however, they are based on his deep sense of religion and his total commitment to human rights. Thus, the "therapy" he proposed is "heart-cleansing," a change in human attitudes to being "Christian-centered" and "the rebirth of man in Jesus Christ." We would therefore refer to his ideas as "religionist." His was a rather lone voice, most probably as the ethnic Chinese consider it improbable for a Christian approach to find a favorable response in a predominantly Moslem society.

Most recently another "religionist" approach emerged with the ideas put forward by Junus Jahja, a Dutch-educated economist, and former activist of the LPKB and later of the Bakom-PKB. He became a Moslem in June 1979, married a Moslem woman a few years later, and served as a member of the prestigious Majelis Ulama Indonesia Pusat (Central Council of Indonesian Ulamas) for the period 1980-1985 (another ethnic Chinese Moslem served in the Council, Abdul Karim Oey, a Moslem of long standing). Junus espouses the idea that the solution of the "ethnic Chinese problem" lies in the massive conversion of the group to Islam. In his opinion,

by sharing the same religion, all the barriers between the majority and minority groups will be removed. To this end he set up a foundation called Yayasan Ukhuwah Islamiah or Islamic Brotherhood as the vehicle to spread Islam among the ethnic Chinese. He is quite realistic about its success, however, acknowledging that despite good press coverage, he estimates that since 1979 there have been about 20,000 converts.

Of these four lines of thought, only the Bakom-PKB and Junus Jahja's Moslem group are still active and vocal today. The Bakom-PKB has an executive board in most cities with a sizeable ethnic Chinese community, where the members are prominent citizens of this group. Their appointment is with the blessing of the local office of the Bureau for social and political affairs of the Ministry of Home Affairs. In many ways this Board functions as a liaison between the government and the ethnic Chinese community. Junus Jahja with his Ukhuwah Islamiyah Foundation seeks to recruit new converts and deepen the knowledge of Islam of those already converted through encouraging the latter to open their homes for prayer meetings and the study of Islam. Junus' efforts has the full support of the Moslem leadership and prominent people in the government.

To what extent these two lines of thought have the support of the ethnic Chinese community is not clear. They

certainly cannot vouch to represent the entire community. Among the ethnic Chinese there seems to be a reluctance to associate with a group or movement that, though basically assimilationist, as both groups are, still, in their activities focus on the ethnic Chinese as a group to which certain actions need to be done.

Recently an alternative line of action has emerged. This is by joining existing groups within the majority society. This is by no means a new phenomenon, as since the formation of the Republic, individual ethnic Chinese have been active members of the then existing national political parties.³⁷⁾ It is true, though, that after the 1965 abortive coup, ethnic Chinese as a group have refrained from participating actively in politics, though individuals have continued to do so, but in a rather muted way.

Interestingly enough, this low profile attitude seems to have given way to a more visible stance in the parliamentary election of April 1987. During the campaign period, an ethnic Chinese Dutch-trained economist and businessman, Kwik Kian Gie, has come to the fore in the camp of the smallest of the three contestants in the Election, the Partai Demokrasi Indonesia or Indonesian Democratic Party (PDI). His activities were such that he rated mention in the Far Eastern Economic Review: "The diverse nature

37) See Somers [1965]. Also Coppel [1983] and Suryadinata [1979].

of the party's appeal has been symbolized by the appearance of Chinese-Indonesian PDI leader Kwik Kian Gie at major rallies." The article also noted that "Kwik, a leading businessman, has even highlighted his Chinese origin in at least one PDI rally...."³⁸⁾

Whether this phenomenon is an isolated case, or the beginning of a trend towards greater participation and fuller acceptance in the socio-political arena, eventually leading to a reduction of conflict situations is a moot point.

No doubt, the government, its policies and the implementation of these policies as related to the "ethnic Chinese problem" play a key role in this respect. Of equal importance are the views and behavior of the ethnic Chinese themselves, whether as a minority group they realize that accommodation to the majority population is an imperative, while individually, total assimilation is a line of action open to them.

Concluding Remarks

Indonesia is a multi-ethnic society consisting of a majority of indigenous ethnic groups and a minority of non-indigenous or originally immigrant groups. From the beginning of the Republic, three minorities of foreign origin were recognized: those of Chinese, Arab and Dutch descent.³⁹⁾ Of these

groups only those of Chinese descent have been and are still viewed as constituting a problem. This is not only because they are the largest in size, compared to the other two groups, but especially because of the role in the economy they have played since colonial times. As a matter of fact, there are those who perceive this role as even more pervasive today than at any other time in the history of the Republic.

The evidence so far indicates that this role is not going to be reduced in the near future, despite policies that are intended to generate a more proportionate and significant role of ethnic Indonesians in the economy. The emergence of the "cukong" phenomenon has strengthened their position together with that of their indigenous associates. As such, they are part of the emerging capitalist class of Indonesia. The evidence also suggests that in retail trade and in small and medium enterprises they will continue to play a significant role. It is generally agreed that this role in the economy is one of the major sources of conflict situations between this group and the majority population.

Nevertheless, we have shown that in other areas changes are occurring that may reduce the "visibility" of the ethnic Chinese, removing some of the sources of resentment, thereby leading to a reduction of hostility towards this group. This refers to their size, where contrary to the perception of the majority pop-

38) *Far Eastern Economic Review* April 23, 1987: 28.

39) The thinking on these minorities shortly after the formation of the Republic, is expounded in Tabrani [1950].

ulation, ethnic Chinese families consult with private physicians in matters of family planning, indicating that they are themselves convinced of the advantage of having a small family. Thus, their proportion to the general population will probably remain no more than 3%. Changes are also occurring in the cultural area, moving away from cultural expressions that are considered of Chinese origin. This is especially the case with the younger generation, many of whom have become Christians and are ignorant of Chinese culture and customs.

These changes have come about for a great part due to the assimilationist policy of the government, by, among others, closing the Chinese-language schools and the prohibition of overt expressions of elements of Chinese culture.

Of the four lines of thought on the solution to the "Chinese problem" that have emerged among the group itself, only the assimilationist view of the Bakom-PKB and the "religionist" view of Junus Jahja are vocal and active today. However, the response of the ethnic Chinese appears to be that they see the Bakom-PKB as a kind of liason with the government to be used when needed, while in regard to conversion to Islam, Junus himself admits that despite wide media coverage, the proportion of converts is still small.

The recent overt participation in politics as shown by a well-known ethnic Chinese businessman and academic,

who campaigned for the PDI in the parliamentary election of April 1987, may show a trend towards greater participation and acceptance in the socio-political arena.

Nevertheless, we suggest that it is the government and its policies that will play a decisive role whether the relations between the majority ethnic Indonesians and the minority ethnic Chinese will continue to be characterized by periodic outburst of social unrest with the ethnic Chinese becoming victims of scape-goating and deflected aggression. Or, whether a gradual but continuous reduction in conflict situations will occur.

In line with the pragmatic approach in the implementation of development, especially in the economic field, the government shows determination to suppress any attempt that might cause a disruption. So far, indications are that the government and the technocrats in the National Development Planning Board (Bappenas), at least, consider the role of the ethnic Chinese a positive contributing factor in the development process. Hence, the quick measures taken by the authorities to squash actions that appear anti-Chinese.

On the other hand, on the part of the ethnic Chinese, it is imperative to diversify occupationally, away from overconcentration in economic activities. They also should realize that, having elected to become Indonesian citizens, their status as a minority group compels them to find ways for an acceptable

accommodation with the majority population.

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